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NSC review completed

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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February 9, 1982

MEMORANDUM FOR:

Assistant to the Vice President
for National Security Affairs

★ Mr. L. Paul Bremer III
Executive Secretary
Department of State

Mr. David Pickford
Executive Secretary
Department of the Treasury

★ Lt Col Robert F. Meehan
Assistant for Interagency
Matters
Office of the Secretary of
Defense

Ms. Jean Jones
Director, Executive Secretariat
Department of Commerce

Mr. William Schneider
Associate Director for National
Security and International Affairs
Office of Management and Budget

★ Executive Secretary
Central Intelligence Agency

★ Ms. Jackie Tillman
Executive Assistant to the
United States Representative to
the United Nations

Mr. Dennis Whitfield
Executive Assistant to the
United States Trade Representative

★ Col Charles F. Stebbins
Executive Assistant to the
Chairman, Joint Chiefs of Staff

SUBJECT: Caribbean Basin (C)

An NSC Meeting has been scheduled in the Cabinet Room for 9:30 a.m.,
Wednesday, February 10, 1982, to address launching the Administra-
tion's Caribbean Basin strategy. An agenda and background papers are
provided for your information. (C)

Michael O. Wheeler
Michael O. Wheeler
Staff Secretary

Attachments
Agenda
Background Papers

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AGENDA

NATIONAL SECURITY COUNCIL MEETING

CABINET ROOM

9:30-11:30 A.M.

Wednesday, February 10, 1982

CARIBBEAN BASIN

- I. Introduction of Issues - Judge Clark
- II. Intelligence Update - CIA
- III. Military Threat from the Area - CJCS
- IV. Political Overview - Tom Enders
- V. Military Requirements to Curtail Export of Revolution -
Frank Carlucci
- VI. Economic Requirements - Bill Brock
- VII. Summary of Decisions (Made and Pending) - Judge Clark
- VIII. Presidential Speech - Judge Clark
- A. Rationale for Speech
- B. Elements of Speech
1. Economic
2. Political
3. Security
- IX. Recommendations for Subsequent Decision

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US Caribbean Basin Policy

I. **Objective:** Our overall regional objective is to promote peaceful change, security and stability in the Caribbean Basin and to ensure that external forces hostile to US interests are kept out of the region. The central problems are poverty and a lack of economic development, weakness of pluralist political institutions, and subversion which exploits these conditions to impose totalitarian political control. Development, economic and political, is the long-term problem; subversion the short-term threat. Both must be addressed simultaneously to protect US interests.

8. II. **Background:** Over the course of the past year, the President has set in motion a number of related initiatives designed to address regional problems. These include:

- The Caribbean Basin Initiative (CBI), which calls for a major multilateral effort to aid the economic development of the region;
- NSDD-17, "Cuba and Central America", which called for a number of measures to address the region's economic and security problems;
- NSDD-21, "Responding to FLOGGERS in Cuba", which set in motion a number of measures designed to undercut increasing Cuban capabilities to coerce democratic states and promote subversion in the region;
- 506 A Presidential Determination to allocate an additional \$55 M in grant aid for El Salvador;
- Radio Marti, a program to establish a facility to broadcast to Cuba;
- Security Assistance supplemental for FY 82 with a substantial component for Central America.

NSDD-21 chartered an interagency management group to implement NSDD-21 measures. The responsibilities of this group will be expanded to encompass oversight and integration of all matters relating to the Caribbean Basin.

III. **General Strategy.** Our general strategy is to accelerate economic and social progress in the region, nurture the evolution of pluralist democratic institutions, and safeguard the security of the Caribbean countries from external subversion as our efforts bear fruit. Our task is to be successful in all three areas if we are to reverse the adverse trends in the region and, at the same time, present a credible program to Congress and the American people.

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The measures mandated in the documents outlined above represent a vigorous new chapter in our efforts to deal with the mounting problems in the region. In order to maximize their effectiveness, these measures must fit together.

A. Accelerate Economic Development in Friendly States

A major US program of trade, investment and aid (the Caribbean Basin Initiative) has been developed, designed to:

- assure duty-free access to US markets for the long term, spurring trade and investment activities in the Caribbean;
- increase tax incentives for investment and enhance the overall investment and market climate for economic growth;
- increase concessional assistance to projects that enable and support self-sustaining commercial activities within the country and in the regional economy.

We are also appealing to US Allies and international institutions to increase economic support for the Caribbean area.

B. Nurture the Evolution of Political Democracy Through:

- sustained support for free and internationally credible elections throughout the region. The elections in El Salvador are particularly crucial in our overall program for Central America;
- support and indeed champion the democratic process throughout the region through Radio Marti, parliamentary exchanges, etc.;
- strong backing for the Central American Democratic community;
- encouragement of Venezuela and Colombia to take more frequent and active positions in support of free elections and democratic processes;
- seeking public support of the Vatican for democratic processes in the Caribbean;
- influencing our friends in Europe and elsewhere to be supportive of our approach;

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- maintaining political pressure on Cuba by restricting the activities of the Cuban Mission to the UN and by closing the Cuban Interests Section in Washington.

C. Regional Security

Measures mandated in NSDD-17 and NSDD-21 include:

- exploiting Soviet vulnerabilities worldwide;
- implementing plans to raise the sense of threat in Cuba through military means;
- creating the capability to deploy rapidly tactical aircraft to the Western Caribbean. DOD will program \$25 M for improvements in regional airfields;
- increasing readiness of defense capabilities in the southwestern US;
- Caribbean Basin contingency plans;
- providing military training for indigenous units and leaders, both in and out of country;
- implementing measures to tighten the embargo on Cuba in order to make it less economically feasible for Cuba to continue to support regional subversion.

IV. Program of Implementation. In order to ensure maximum effectiveness of these measures, our program of implementation should have the following features:

- specific measures should be considered in two discrete categories:
 - those measures which are sustained over a long period of time, such as the economic program;
 - those measures which are designed to peak at a specific point in time, such as exercises in the Caribbean;
- Our program must be phased over time. Measures must be implemented in a sequential fashion, allowing sufficient time between specific measures to permit a modification of Cuban, Nicaraguan, and/or Soviet behavior;
- security measures must be clearly linked, along a public and policy audit trail, to the aggression and subversion sponsored by Cuba and its Soviet patron;

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In implementing these measures, the Management Group, assigned the task of managing the implementation of the various initiatives, must come to grips with several issues immediately. First, it must prepare a vigorous and effective public affairs strategy which will elevate public understanding of the nature of the threat and engender public support of our overall program.

Concurrently, we must move ahead with a legislative strategy designed to keep key members of the Congress informed as necessary and to promote needed legislation (e.g., CBI funding, repeal of the Clark Amendment, grant aid package for the Caribbean). The public affairs strategy and the legislative strategy require immediate attention. The Management Group should effect close liaison with the Legislative Strategy Group and appropriate public affairs personnel.

V. Sequence of Initiatives.

-- February

- initiation of actions to curtail the activities of the Cuban Mission to the United Nations;
- initiation of economic measures, including
 - blacklisting ships which trade with Cuba
 - curtailing tourism
 - putting pressure on US companies and third countries which handle US goods to Cuba
 - announcing intention not to renew the fishing agreement in September
- delivery of a speech by the President outlining our general rationale and approach. This speech should be modeled after the Poland speech in which the President laid out the problem, outlined an initial set of measures, and promised more to come if the situation did not change;
- submission of CBI legislation to Congress;
- beginning of basing discussions with regional states;
- orchestration of Central American Democratic Community calls on Nicaragua not to import further offensive weapons;

introduction of repeal of Clark Amendment.

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-- **March**

- vigorously support El Salvador elections;
- close the Cuba Interests Section in Washington;
- follow up on the Haig-Gromyko talks by informing the Soviets that we have completed our review of the 1962 understandings and that we find that Soviet action has made them meaningless;
- submit Security Assistance supplemental to Congress;
- present CBI program to Nassau Four meeting and discuss assistance programs of other donors;
- press for Congressional authorization of \$10 million for Radio Marti.

-- **April**

- support formation of transitional government in El Salvador;
- encourage Salvadoran Constituent Assembly to invite FMLN/PAR to present their views;
- initiate broadcasts of Radio Marti;
- announce security assistance package for Central America;
- initiate ELASTIC FENCE activities;
- support CDAC ministerial meeting to assess Central American situation.

-- **May** (probably point of highest Cuban economic vulnerability)

- bring ELASTIC FENCE activities to their high point to coincide with Cuban harvest requirements;
- encourage UNITA activities against the Cubans in Angola;
- increase flow of weapons to Afghan Freedom Fighters.

-- **June/July**

- reassess success of NSDD-21.

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Outline of Caribbean Basin Speech

I. Regional Objectives

Our overall regional objective is to promote peaceful change, security and stability in the Caribbean Basin and to ensure that external forces hostile to US interests are excluded. Under-development is the long-term problem of the region; subversion is the short-term threat. Both must be addressed in order to meet our objectives.

II. Threats to Regional Stability and Security

Economic underdevelopment and the absence of strong political institutions have created conditions in which externally sponsored subversion and aggression threaten the region. Poverty and political disaffection allow military subversion from the Soviet Union and its clients, Cuba and Nicaragua. The threat is reinforced by the success of the leftist propaganda campaign which has over and over again been telling the "big lie." In the near term, problems of subversion must be met immediately and the seeds for longer-term political and economic development must be sown simultaneously.

III. US Strategy

To respond to these threats, our strategy must proceed along three basic lines. The economic and political measures attack the fundamental problem; the security actions attack subversion which threatens the development process.

A. Acceleration of economic development in friendly states

-- The Caribbean Basin Initiative serves this purpose.

B. Enhancing the evolution of political democracy

Our efforts center on support for free and internationally credible elections in all states, particularly in El Salvador in March. Other measures in this area include:

- Radio Marti
- Strong support for Central American community
- Carrying our message to our friends and Allies

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C. Regional security

In this area our efforts are designed to address the near-term problems first. Measures include specific initiatives designed to strengthen military capabilities of friendly governments in the region and at the same time to provide powerful disincentives for Cuba and Nicaragua to continue to export subversion.

IV. Implementation

Our objectives in these measures require a phased program of implementation. We will in the course of the next few weeks submit legislation to Congress to help in the areas of economic development and the evolution of political democracy. This approach to fundamental problems in the region should be given center stage in our presentation to Congress and the public. At the same time we will begin a series of increasingly strong measures to ensure that the region is sufficiently secure and stable to allow economic growth and political development.

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